

Karla Kellum

June 8, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Re: Business Opportunity Rule, R511993

Dear Sir or Madam:

I am writing this letter to express my strong opposition to the proposed Business Opportunity Rule R511993. I understand that it is the responsibility of the Federal Trade Commission to protect the public from "unfair and deceptive acts or practices," but the rule as proposed would make it very difficult for me to operate my business as a Scent-Sations Inc Independent Distributor.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors.. If anyone wishes to become a Scent-Sations Distributor they simply fill out an application which is free to do.

There is no additional kit or fee required.

This is far less than many, if not most, consumer purchases, from TVs to all manner of household appliances, none of which require a seven-day waiting period. In addition, the seven-day waiting period is unnecessary in that Scent-Sations Inc already has a 90% buyback policy for products!

The proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. There are many problems with this proposed requirement. In this day of identity theft, I am uncomfortable giving out the personal information of other Scent-Sations distributors, without their knowledge or consent, to strangers.

I understand that those who sign up after the rule takes effect would be told in writing "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." I believe that this would dissuade new people from signing up as distributors as they are concerned not only about identity theft, but also about their privacy. People today are understandably reluctant to share their personal information with individuals they may never have met.

Providing the ten references also could damage the businesses of numerous Scent-Sations distributors. Lower ranking distributors often are involved in more than one direct selling company. Providing a list to a potential recruit, who may already be a distributor for a competing direct selling company, may be an invitation to solicit existing distributors for such other opportunity.

The ten-reference requirement also is an administrative burden. In order to obtain the list of 10 prior purchasers, I will need to provide Scent-Sations Corporation with the prospective distributor's address, and then wait to receive the list of the 10 nearest distributors who became distributors within the past three years. Each prospective recruit will need a customized disclosure statement. This will result in a delay far longer than seven calendar days before any potential recruit can sign an application. In view of the fact that many people enter direct selling part-time to earn extra income for a specific goal, such as holiday purchases or a family vacation, the long wait, which the proposed rule will entail, may make the goal unattainable.

The proposed rule calls for the release of any information regarding lawsuits that allege misrepresentation or unfair or deceptive practices over a ten-year period. It does not matter if the company was found innocent or not liable. Today, almost all business lawsuits contain claims of misrepresentation or unfair competition. It does not make sense to me that I would have to disclose these lawsuits unless Scent-Sations Corporation, or its officers, directors or sales department employees, had been found guilty or liable.

I have only been a Scent-Sations Distributor since October of 2005. Originally, I became a S Distributor because I love the Company's Candles and Personal Care products and wanted to earn some additional income working from home. Now we as a family depend upon this extra income. My business hasn't grown as fast as many other distributors, but it is surely growing. If this new rule comes in place I will most likely end the business and pursue another way of supplementing my income. It would be way too much trouble for me and so much harder to recruit people, which is the direction I have chosen to take with this business. I am certain there will be thousands who will do the same, turning what once was a great opportunity for people into a grave disappointment and will certainly effect the economy in a negative way.

While I appreciate the work of the FTC to protect consumers, it certainly should be done, I believe this proposed new rule has many unintended consequences for direct sellers and that there are less burdensome alternatives available to the agency to achieve its goals.

Thank you for your time in considering my comments.

Sincerely,

Karla Kellum